enterprises. As per the declared policy of the Government on disinvestment, all non-strategic PSUs can be disinvested, though the Government may continue the presence of Public Sector, as a countervailing force, where necessary, to prevent concentration of power inprivate hands. the proceeds from disinvestment are for generating investment and employment, reinvigorating public sector enterprises and retiring public debt.

Disinvestment of ITDC Hotels

1820. SHRI RAJEEV SHUKLA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government further propose to disinvest some of ITDC Hotels;

(b) if so, the names of the hotels where disinvestment is being proposed;

(c) whether market value of the properties being sold out has been taken into account;

(d) the evaluation procedure adopted for calculating the sale price of Government share in the ITDC hotels; and

(e) the details of the hotels already disinvested with the realisation?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The process of disinvestment of the following hotel properties owned by India Tourism Development Corporation Limited (ITDC) is on:

1.	Hotel Kalinga Ashok, Bhubanaeswar	100% Govt. equity to be sold
2.	Hotel Jaipur Ashok, Jaipur	-do-
3.	Hotel Pataliputra Ashok, Patna	-do-
4.	Hotel Jammu Ashok, Jammu	do-
5.	Hotel Samrat, New Delhi (to be given on lease-cum-management contract)	

Action has been initiated in consultation with the respective State Governments for disinvestment of the following seven joint venture properties of ITDC:—

1. Hotel Neelachal Ashok, Puri
2. Hotel Ranchi Ashok, Ranchi
3. Hotel Lakeview Ashok, Bhopal
4. Hotel Brahamputra Ashok, Guwahati
5. Hotel Pondicherry Ashok, Pondicherry
6. Hotel Donyi Polo Ashok, Itanagar
7. Hotel Punjab Ashok, Anandpur Sahib (incomplete project)

(c) and (d) Bench marking of the business value of any enterprise including hotel properties of ITDC on 'going concern basis' is done in accordance with the 4 prescribed valuation methodologies i.e. Discounted Cash Flow, Transaction Multiple/Relative Valuation, Net Asset Value and Asset Valuation in order to determine the reserve price.

(e) The list of the disinvested hotel properties of ITDC and realisation from their disinvestment is given in the Satement.

Statement

Disinvestment of ITDC Hotels

Sl. No.	Hotel	Purchaser	Realisation (Rs.)	Transaction date/ Remarks
1	2	3	4	5
1.	Ashok Bangalore (including Airport Restaurant) (Given on 30 Years' Lease-cum-Management Contract)	Bharat Hotels Ltd.	4,11,00,000.00 Guaranteed Annual Payment (MGAP). 39,41, 15,415.00-Upfront amount inclusive of payment to AAI. Security Deposit for 2 years- 50% of discounted MGAP for 30 years; MGAP for 4 months from Dec., 2001 to March 2002 and Business Transfer Consideration for both Hotel and Airport Restaurant)	29.11.2001

1	2	3	4	5
2.	Bodhgaya Ashok (Sold-99.97% equity)	Lotus Nikko Hotels	2,01,04,813.00 GOI-1,80,94,272.88 IHCL-20,10,540.12	29.11.2001
3.	Hassan Ashok (Sold-99.97% equity)	Malnad Hotels and Resorts (P) Ltd.	2,52,00,000.00 GOI-2,26,23,406.45 IHCL-25,13.793.55 Hassan Municipality-Rs. 62,800	29.11.2001
4.	Madurai Ashok (Sold 99.97% equity)	Sangu Chakra Hotels Private Limited	5,52,51,021.00 GOI-4,93,73,728.79 IHCL-54,86,148.21 Corpn. of Madurai-3,91,144	31.1.2002
5.	TBABR, Mamallapuram (Sold 99.97% equity)	G.R. Thanga Maligai (P) Limited	6,80,79,300.00 GOI-6,12,71,170.81 IHCL-68,08,129.19	1.2.2002
6.	Agra Ashok (Sold-99.97% equity)	Shri Mohan Singh	4,00,53,000.00 GOI-3,53,92,672.94 IHCL-39,32,647.06 Agra Cantt Board-7,27,680	7.2.2002
7.	Laxmi Vilas Palace Hotel Udaipur (Sold-99.97% equity)	Bharat Hotels Limited	7,52,00,000.00 GOI-10,6,76,79,779.97 IHCL-75.20,220.03	26.02.2002
8.	Qutab Hotel, New Delhi (Sold-99.97% equity)	Sushil Gupta and Consortium	35,67,54,179.00 GOI-10,98,55.893.00 L&DO-7,32,37,500.00 MCD-16,14,54.179.00 IHCL-1,22,06,607.00	20.3.2002
9.	Lodhi Hotel, New Delhi (Sold-99.97% equity)	Silverlink Holdings Ltd. & Consortium	76,40,67,643.00 GOI-40,28,14,567.00 L&DO-30,03,83,872.00 MCD-1,61,10,575.00 IHCL-4,47,58,629.00	22.3.2002
10.	Hotel Airpot Ashok, Kolkata (including Airport Restaurant (Sold-99.97% equity)	Bright Enterprises Pvt. Ltd.	20,01,51,000.00 GOI-5,64,72,145.00 AAI-3,46,45,817.00 DDM-94,15,040.00 VRS-9,33,42,000.00 IHCL-62,74,998.00	8.7.2002

1	2	3	4	5
11.	Kovalam Ashok Beach Resort (Sold 99.97% equity)	M. FAR Hotels Ltd.	43,68,76,000.00 GOI-29,72,69,034.00 VRS-10,65,76,000.00 IHCL-3,30,30,966.00	11.7.2002
12.	Manali Ashok (Sold-99.97% equity)	Auto Impex Ltd.	4,00,00,000.00 GOI-3,10,43,599.00 HPSEB-11,61,000.00 VRS-43,46,000.00 IHCL-34,49,401.00	15.7.2002
13.	Khajuraho Ashok (Sold-99.97% equity)	Bharat Hotels Ltd.	2,21,00,000.00 GOI-19,83,594.00 ITDC-11,00,000.00 VRS-1,87,96,000.00 IHCL-2,20,406.00	7.8.2002
14.	Varanasi Ashok (Sold-99.97% equity)	Ramnath Hotels (P) Ltd.	9,11,00,000.00 GOI-6,57,36,686.00 VRS-1,80,59,000.00 IHCL-73,04,314.00	7.8.2002
15.	Hotel Aurangabad Ashok (including Airport Restaurant (Sold-99.97% equity)	Loksangam Hotels & Resorts Pvt. Ltd.	17,40,42,000.00 GOI-8,15,92,835.00 SCR-5,43,42,000.00 Tehsildar-9,00,000.00 VRS-2,81,41,000.00 IHCL-90,66,165.00	4.9.2002
16.	Hotel Ranjit, New Delhi (Sold-99.97% equity)	Consortium of Unison Hotels Ltd. & Formax Commercial Pvt. Ltd.	30,30,00,000.00 GOI-9,14,32,041.00 L&DO-15,91,61,459.00 MCD-81,61,054.00 IHCL-1,01,59,446.00 VRS-3,40,86,000.00	7.10.2002
17.	Kanishka, New Delhi (Sold-99.97% equity)	Nehru Place Hotels Limited	95,95,01,000.00 GOI-32,14,15,576.00 L&DO-31,62,95,626.00 NBCC-2,80,29,707.00 NDMC-12,34,14,088.00 VRS-13,46,32,000.00 IHCL-3,57,14,003.00	8.10.2002

1	2	3	4	5
18.	Indraprasthra, New Delhi (Sold-99.97% equity)	Moral Trading & Investment Ltd.	45,03,33,333.00 GOI-14,84,38,576.00 L&DO-15,30,56,905.00 NBCC-1,45,39,099.00 NDMC-4,37,29,042.00 VRS-7.40,76,000.00 IHCL-1,64,93,711.00	8.10.2002
19	Incomplete Chandigarh Project *(Sold-100% equity of ITDC) (Sold as 100% subsidiary of ITDC)*	TAJGVK Hotels & Resorts Ltd.	17,27,20,981.00 Chandigarh Administration-12,65,37,813.00 ITDC-4,61,83,168.00	16.10.2002

Total Upfront Realisation to GOI, UT of Chandigarh, CPSUs and Statutory Bodies-Rs. 444,16,99,560.84

Legend:

AAI—Airports Authority of India—Realisation to AAI is on account of outstanding dues towards lease rent for the land of the hotel and license fee for the restaurant.

DDM—Dum Dum Municipality—Realisation to DDM is on account of outstanding taxes.

GOI—Government of India-for 89.97% (approx.) shares.

HPSEB—Himachal Pradesh State Electricity Board—Realisation to HPSEB is towards outstanding dues from ITDC.

IHCL—The Indian Hotels Company Limited—for 10% (approx.) shares.

ITDC—India Tourism Development Corporation Ltd.—for Khajuraho Ashok, the amount is towards reimbursement for out of court settlement of land-related dispute. For incomplete Chandigarh Project, the amount is towards ITDC's share.

L&DO—Land & Development Office (Dept. of Urban Development)—Realisation to L&DO is on account of unearned increase in the value of the leased land plus damage charges etc.

MCD—Municipal Corporation of Delhi—Realisation to MCD is towards outstanding property taxes/service charges due from ITDC.

NBCC—National Building Construction Corporation Ltd—Realisation to NBCC is towards outstanding dues from ITDC.

NDMC—New Delhi Municipal Council—Realisation to NDMC is towards outstanding property taxes/service charges/compounding charges etc. due from ITDC.

SCR—South Central Railways—Realisation to SCR is on account of settlement of dispute on land value.

Tehsildar—Tehsildar, Aurangabad-Outstanding dues from ITDC.

VRS—Voluntary Retirement Scheme (including Gratuity)—The amount in respect of the employees opting for VRS in each hotel unit have been taken upfront from bidders for payment to the employees by ITDC.

Other Recurring Realisations:

1. Ashok Bangalore:

For the Hotel :

There will be annual realisation of Rs. 2.55 crores (50% of MGAP) or an amount calculated as the difference between 16.5% of the gross turnover of the hotel plus restaurant and 50% of MGAP, whichever is higher.

For the Restaurants:

Annual License fee of Rs. 30 lakhs increasing @ 10% per annum; Fixed amount of Rs. 70.08 lakhs per annum for providing in-flight catering and sale of Beer at/from the Restaurant premises and interest-free refundable Security Deposit of Rs. 51.60 lakhs and Rs. 19.80 lakhs (Rs. 15.60 lakhs towards electricity charges and Rs. 4.20 lakhs towards water charges).

2. Qutab Hotel, New Delhi: L&DO would receive Rs. 36,61,875.00 as Annual Rent @ 2.5% of value assigned to land and interest-free refundable Security Deposit of Rs. 1,09,85,625.00 equivalent to 3 years rent. (The Annual Rent and corresponding Security Deposit to increase by 30% every 10 years) L&DO also received Rs. 1,10,358/- towards advance ground rent for the period from March 20, 2002 (date of execution of transaction documents) to March 31, 2002.

3. Lodhi Hotel, New Delhi: L&DO would receive 1,34,27,196.00 as Annual Rent @ 2.5% of value assigned to land and interest-free

refundable Security Deposit of Rs. 4,02,81,588.00 equivalent to 3 years rent. (The Annual Rent and corresponding Security Deposit to increase by 30% every 10 years). L&DO also received Rs. 3,31,082/- towards advance ground rent for the period from March 22, 2002 (date of execution of transaction documents) to March 31, 2002.

4. Hotel Airport Ashok, Kolkata: AAI will receive the following amounts:

For the Hotel:

Rs. 25,96,787/- as Annual Lease Rent @ Rs. 92.15 per sq. mtr. calculated on Built-up Area (11,440 sq.mtr) or 28,180 sq. mts. (total land), whichever is higher (Annual Lease Rent would increase by 20% every 3 years). Annual Turnover Levy @ 2% subject to a Minimum Guaranteed Annual Payment of Rs. 14 lakhs increasing every 5 years to Rs. 26 lakhs, Rs. 34 lakhs, Rs. 50 lakhs, Rs. 71 lakhs and Rs. 85 lakhs respectively. Security Deposit (Rs. 12,98,394/-) equal to Annual Lease Rent of 6 months. Apart from the above, AAI also received Rs. 18,99,567/- as advance lease rent for the period from July 8, 2002 (transaction date) to March 31, 2003.

For the Restaurant:

Annual Rent of Rs. 30 lakhs increasing @ 10 % per annum; Fixed amount of Rs. 70.10 lakhs per annum for providing in-flight catering and sale of Beer at/from the Restaruant premises and Security Deposits of Rs. 71,40,000/- towards License fee and Electricity/Water charges. Apart from the above, AAI also received Rs. 1,93,548/- as Advance Monthly Rent and Rs. 4,52,129/- as Advance Fixed Monthly Fee (for providing in-flight catering services & sale of beer etc.) for the period from 8th July, 2002 (transaction date) to 31st July, 2002.

5. Hotel Kanishka, New Delhi: L&DO would receive Rs. 1,56,11,983.00 as Annual Rent @ 2.5% of value assigned to land and interest-free refundable Security Deposit of Rs. 4,68,35,949.00 equivalent to 3 years rent. (The Annual Rent and corresponding Security Deposit to increase by 30% every 10 years). L&DO also received Rs. 74,85,197/- towards advance ground rent for the period from October 8, 2002 (date of execution of transaction documents) to March 31, 2003.

6. Hotel Indraprastha, New Delhi: L&DO would receive Rs, 76,05,275.33 as Annual Rent @ 2.5% of value assigned to land and

interest-free refundable Security Deposit of Rs. 2,28,15,826.00 equivalent to 3 years rent. (The Annual Rent and corresponding Security Deposit to increase by 30% every 10 years). L&DO also received Rs, 36,46,366/- towards advance ground rent for the period from October 8, 2002 (date of execution of transaction documents) to March 31, 2003.

7. Incomplete Chandigarh Project: Chandigarh Administration would receive Annual Ground Rent @ 31,89,375/- for 1st 33 years, @ 47,84,063/- for the next 33 years and @ 63,78,750/- for the last 33 years in terms of the Chandigarh Lease Hold of Sites & Building Rules, 1973. Chandigarh Administration also received Rs. 95,68,125/- as interest-free refundable Security Deposit equivalent to 3 years annual rent. Apart from the above, Chandigarh Administration also received Rs, 14,59,248/- towards advance ground rent for the period from 16 October, 2002 (date of execution of transaction documents) to March 31, 2003.

8. Hotel Ranjit, New Delhi: L&DO would receive Annual Ground Rent of Rs. 40,70,325/- and Interest-free (refundable) Security Deposit of Rs. 1,22,10,975/- equivalent to 3 years Annual Ground Rent. (The Annual Rent and corresponding Security Deposit to increase by 30% every 10 years). L&DO also received Rs. 19,62,677/- towards advance ground rent for the period from October 7, 2002 (date of execution of transaction documents) to March 31, 2003.

Disinvestment of PSUs

1821. SHRI PRASANTA CHATTERJEE: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Disinvestment is meant to strengthen private sector giants at the cost of public sector;

(b) if not, why the public sector HPCL, BPCL and IPCL are being sold to private sector companies who naturally would be a powerful petroleum sector corporate; and

(c) will it create a healthy competition?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) No, Sir. The object of disinvestment is to put national assets to optimal use and to unleash the productive potential inherent in public sector